

ORDINANCE NO. 023-76

AN ORDINANCE AUTHORIZING A
LOCKER LOCATION LICENSE
AGREEMENT WITH AMAZON.COM
SERVICES, LLC TO INSTALL,
OPERATE, AND MAINTAIN
PACKAGE DELIVERY LOCKERS

WHEREAS, The Chicago Transit Authority ("Authority") has contracted with Jones Lang LaSalle Americas, Inc. ("JLL") to allow JLL to market Authority concession and vending opportunities; and

WHEREAS, JLL, with the approval of the Authority, publicly offered sites on Authority property for the installation and operation of Specialty Vending machines; and

WHEREAS, On June 10, 2020, the Transit Board authorized a pilot agreement with Amazon.com Services, LLC ("Amazon") to install lockers at select rail stations, per Ordinance No. 020-48, and later extended the pilot until July 17, 2023 via Ordinance Nos. 021-54, 022-69, and 023-1; and

WHEREAS, Pursuant to the Locker Location Pilot Agreement, Amazon installed and has operated lockers at the following four (4) rail stations: Thorndale (Red), Cicero (Green), Pulaski (Orange), and 95th (Red); and

WHEREAS, The Authority wishes to enter into a longer-term agreement for a vendor to provide delivery lockers and to add locations where feasible; and

WHEREAS, Through extensive marketing and a competitive bidding process, JLL has identified Amazon as the most viable vendor for package delivery lockers; and

WHEREAS, The Authority and Amazon have agreed to terms on a license agreement for Amazon to continue operating package delivery lockers at the approved sites and to add locations upon mutual agreement; and

WHEREAS, The term of the license agreement will be for three (3) years with two (2) one-year options to extend and Amazon will pay the Authority Fifty Dollars (\$50.00) per locker location per month; and

WHEREAS, The license agreement permits the Authority to place advertising on lockers, and Amazon will receive fifty percent (50%) of the Authority's net revenue from any such locker advertising; and

WHEREAS, Amazon will be responsible for all costs related to the procurement, installation, servicing, and operation of the package delivery lockers; and

ORDINANCE NO. 023-76
(Continued) -2

WHEREAS, Amazon will indemnify the Authority for its use of the designated sites, either party may terminate the agreement upon 30 days' notice except the Authority may not terminate effective between October 1 and January 15, and the agreement contains confidentiality provisions; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. The Chairman of the Chicago Transit Board, or his designee, is authorized to enter into a license agreement with Amazon.com Services, LLC to install, maintain, and operate package delivery lockers at designated sites.

SECTION 2. The License Agreement has a base term of three (3) years with two (2) one-year options to extend, permits either party to terminate the agreement upon 30 days' notice except the Authority may not terminate effective between October 1 and January 15, permits Amazon to add locker locations with Authority approval, requires Amazon to pay the Authority Fifty Dollars (\$50.00) per locker per month for rent, and requires the Authority to pay Amazon fifty percent (50%) of any revenue received from locker advertising.

SECTION 3. The Chairman, or his designee, is further authorized to take such actions and execute such documents as may be necessary to implement the objectives of this ordinance.

SECTION 4. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

Chairman

July 12, 2023

PASSED:

Secretary

July 12, 2023